

Press Release – For immediate distribution

**Dubai Clear becomes first regional onshore clearing house to be recognized by the European Securities and Markets Authority (ESMA)**

- ESMA endorsement further expands access to international capital markets, enabling Dubai Clear to attract clearing members from the European Union
- Recognition demonstrates Dubai Clear's full compliance with Europe's robust regulatory framework, alongside the very highest international standards

**Dubai, 6 October 2022:** Dubai Clear, the first independent clearing company in the region and a subsidiary of the Dubai Financial Market (DFM), today announces that it has become the first onshore CCP in the Middle East to obtain the European Securities and Markets Authority (ESMA) recognition as a Tier 1 Third Country -Central Counter Party (TC CCP).

The recognition enables Dubai Clear to expand its services and activities through clearing members in the European Union (EU), at a time when the Emirate is attracting substantial interest from international investors as it rapidly implements the Capital Markets Development Strategy, which aims to accelerate the growth and diversification of its financial market and attract foreign investments and participants.

ESMA's decision demonstrates Dubai Clear's robust regulatory framework and markets infrastructure, which is fully aligned with the very highest international standards.

Commenting on ESMA's recognition, Hamed Ali, CEO of DFM and Nasdaq Dubai, said: "We are very proud to accomplish this significant achievement that marks an important moment in Dubai Clear's journey. Under the leadership and direction of the Securities and Exchange Higher Committee, Dubai's capital markets are deepening and their appeal to international investors is fast increasing. Becoming a recognized CCP enables us to provide clearing and settlement services for all domestic and cross-border transactions further enhancing the appeal of Dubai capital markets to international investors."

He added: "Since its inception in 2020, Dubai Clear has successfully transformed the clearing services' landscape in the UAE by putting in place advanced financial market infrastructure and technology. This is underpinned by robust risk management and state-of-the-art, automated trade settlement processes. We are excited by the developments in Dubai capital markets and see many new opportunities ahead as we continue to make Dubai Clear the preeminent settlement partner for market participants."

H.E. Dr. Maryam Al Suwaidi, CEO of the Securities and Commodities Authority (SCA) welcomed this achievement, which underscores the efforts to realize the strategic objectives to enhance the UAE financial markets' competitiveness. "This recognition by a world-class regulatory body underlines the sound regulatory framework of our financial markets as well as the commitment to maintain highest levels of efficiency, risk management and compliance with the international standards, which ultimately reflects positively on the UAE capital markets' ability to further attract foreign investments," Dr. Al Suwaidi added.

"This achievement reflects the UAE government's commitment towards investors and the advancement and competitiveness of our markets regionally and internationally. This recognition is also part of the continuous efforts of the SCA to further develop the UAE's markets to the standards of their counterparts in the developed countries."

Fatma Bin Qedad, General Manager of Dubai Clear, said; "ESMA's recognition of Dubai Clear as a Tier 1 TC CCP is further testament to our leadership in the UAE and the wider region. It enables us to provide clearing services to a broader international investor base, ultimately contributing to Dubai's ongoing efforts to boost its capital markets. It also sends a strong signal about the sophistication of our technology, risk management framework, processes, and alignment with international best practice. We are also working closely with financial institutions to extend the range of services we provide, including endorsing new General Clearing Members (GCM). Subsequently, we have recently licensed a number of leading international and regional institutions as GCMs, as part of our efforts to offer effective clearing services for trading members."

“During the first three quarters of 2022, AED 69.5 billion transactions have been cleared, which shows the pace of growth and development in the capital markets which we serve. This will only increase given Dubai’s ambition to deepen and broaden its capital markets and we look forward to playing our role in their evolution as the CCP clearing house of choice,” she added.

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**About Dubai Clear:** Dubai Clear commenced operations in 2020 and was setup by Dubai Financial Market to operate its central counterparty (CCP) business for securities clearing and settlement. As a licensed CCP, Dubai Clear undertakes all clearing, settlement and risk management functions for DFM – and is the central counterparty for all trades executed on the DFM trading platform, whereby it acts as a Seller to all Buyers and Buyer to all Sellers for settlement of trades. Dubai Clear operates under a robust risk management framework supported with clearing technology provided by Nasdaq.

**About Dubai Financial Market:** Dubai Financial Market (DFM) was established as a public institution with its own independent corporate body. DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by the Federal Government or any of the local Governments and public institutions in the country, units of investment funds and any other financial instruments, local or foreign, which are accepted by the market. The DFM commenced operations on March 26, 2000 and became the first Islamic Shari'a-compliant exchange globally since 2007. Following its initial public offering in November 2006, when DFM offered 1.6 billion shares, representing 20 per cent of its paid-up capital of AED 8 Billion, DFM became a public joint stock company and its shares were listed on 7 March 2007 with the trading symbol (DFM). Following the IPO, the Government of Dubai retained the remaining 80 per cent of DFM Company through Borse Dubai Limited. [www.dfm.ae](http://www.dfm.ae)

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